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ABSTRACT

Higher education is part of a world that is rapidly changing. This observation is discussed in relation to a study by the National Center for Higher Education Management Systems and the National Commission on the Financing of Postsecondary Education. Emphasis is placed on policy formulation and implementation at the institutional level. The budgetary process is seen as the vehicle that has the greatest potential for manifesting and resolving policy formulation concerns - implying a new role for budget and finapcial officers. (Author/HJM)

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CLOSING THE LOOP:
Emerging Roles for Financial Officers of American Colleges and Universities

Remarks prepared for delivery 9:30 a.m., Friday, July 12

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Education

Introduction

Higher education is part of a world that is rapidly changing. In the first part of our discussion I will add substance to this otherwise trite observation by discussing two recent studies which have identified major forces for change that will significantly affect higher education. It is important to have realistic expectations of the future managerial climate of higher education because our discussion of the future role of financial officers must be set against the future context and not against past or even current contexts.

From a different perspective, in the second part of our discussion this morning I will suggest a way of looking at policy formulation and implementation at the institutional level. Most of the administrative organizations in colleges and universities are designed for policy implementation and individuals are chosen from their functional specialties, such as accounting, government relations, personnel, development, or teaching chemistry or literature. Policy formulation, on the other hand, is so loosely structured that two recent observers have labeled our institutions "organized anarchies." For a number of reasons, the budgetary process is the vehicle which has the greatest potential for manifesting and resolving policy formulation concerns--but this implies a new role for budget and financial officers.

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The concern for emerging roles for financial officers brings me to the final part of our discussion. Both the changing forces in the environment of higher education and the growing concern for internal effectiveness create opportunities for constructive and integrative roles for institutional financial officers. These roles, particularly in policy formulation, are being experimented with in some institutions; the roles are evolutionary rather than radically new and different. Understanding how these emerging roles can close the loop between policy formulation and implementation can provide a basis for an increasingly substantive involvement by financial officers in the whole scope of institutional activities.

Some Glimpses of the Future

Crystal balls are in short supply these days. Our view of the future is clouded by uncertainties in federal support of the sciences, in particular the health sciences, by rapid changes in public tuition and student financial assistance policies, by the emerging role of collective bargaining, by increasing and uncertain federal and state reporting requirements, by the vague role of state 1202 commissions, by the demographic reality of falling demand by traditional age groups for traditional higher education, and by the increasing concern about and involvement in the allocation of increasingly scarce institutional resources. No one has the clairvoyance to presage the future with great accuracy, but two groups have attempted to forecast the major trends in higher education over the next decade. These two broad brush efforts provide some splashes of color on the canvas and provide a backdrop to our consideration of the policy roles of administrators in institutions of higher education.

In 1972 the National Center for Higher Education Management Systems conducted a survey of a large panel of individuals concerned with higher education.* This was a five-round Delphi survey which asked respondents to forecast six factors: the possible changes in higher education that might take place; the impact these changes would have if they occurred; the likelihood of each change occurring; the time period in which the change would probably occur; what groups would most affect each change; and, in the judgment of the respondent, should each change occur? In rounds III and V, respondents were given feedback on the forecasts and reasoning of all the other respondents and indivduals were given the opportunity to change their minds in light of the arguments of their anonymous colleagues. The panel of respondents consisted of 385 individuals,

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*For the details of this study see: Vaughn E. Huckfeldt, "A Forecast of Changes in Postsecondary Education," NCHEMS at WICHE, 1972. The following material is adapted from this report.

over 200 of whom were college or university administrators; the remainder were congressmen, governors, state legislators, state administrators, lay-board members, industry leaders, students, faculty, union leaders, foundation officers, and members of the education press. Of the 385 panel members, 94 percent responded to one or more of the five survey rounds.

There were two types of results from this study: the consensus of the nature of changes likely in higher education and the extent of agreement about these changes among the members of the panel. The panel generated 118 change statements on the first round and, after four rounds of judgment and interaction, seven change statements were collectively forecast to have both a high likelihood of occurring and a high impact if they occurred. These seven high likelihood-high impact changes were: (1) the proportion of students in vocational programs will increase; (2) the use of educational technology will increase; (3) social problems will receive increased attention by colleges and universities; (4) faculty collective bargaining will be more widely adopted; (5) postsecondary education will be more accessible; (6) participation in continuing education will increase; and (7) scrutiny by funding sources as to how well resources are being utilized will increase. (See Table 1.) The forecast date of occurrence of these changes ranged from 1976 for resource scrutiny to 1979 for educational technology. Of the respondents, 95 percent thought that six of these seven changes were not only likely but morally desirable, while 42 percent responded that collective bargaining should be increased.

It is particularly interesting to consider the advocates and opponents of the seven high likelihood-high impact changes. As one would expect, those who saw the change in their self-interest were the most ardent proponents: industrial leaders most promoted vocational programs and educational technology; students most promoted focusing on social problems and continuing education; faculty most promoted collective bargaining; state government officials most promoted scrutinizing resource use; and federal officials most promoted student access. Institutional administrators were not in the forefront of advocating any of the seven major changes. Out of all 118 change statements, they assumed a leadership role on five statements: (1) institutions will compete more for students; (2) a large proportion of the faculty will be part time; (3) postsecondary education will receive a broader base of financial support; (4) federal aid to private institutions will increase; and (5) state aid to private institutions will increase. On the contrary, in the view of the panel four of the seven high likelihood-high impact changes would be most hindered by institutional administrators.

In the area of planning and management, there was a broad consensus that new management and planning techniques focusing on analysis of outcomes as well as inputs should and will be used by institutions in the next decade. All of the substantive changes in the planning and management area were most promoted by state and federal officials and, in the panel's view, would be most hindered by faculty members.

Tabel 1

STATEMENTS WITH HIGH IMPACT THAT ARE HIGHLY LIKELY TO OCCUR

CHANGE STATEMENT	LIKELIHOOD	IMPACT	EXPECTED DATE OF CHANGE	%RESPONDING SHOULD OCCUR	MOST PROMOTED BY:	MOST HINDERED BY:
The proportion of students in postsecondary vocational programs will increase.	High	Very High	1977	97	Industry	Private Inst.
The use of TV, computers, and new technologies in postsecondary instruction will increase.	Very High	High	1979	97	Industry	Faculty
Social problems will receive increased attention.	Very High	High	1977	95	Students	Industry
Faculty collective bargaining will become more widely adopted.	Very High	Very High	1978	42	Faculty	Public Inst.
Postsecondary education will be more readily accessible to all.	High	Very High	1978	97	Federal	Private Inst.
The number of students involved in continuing education throughout their lifetime will increase (caused by retraining, dropping in and out, etc.)	Very High	Very High	1978	99	Students	State
Scrutiny by funding sources as to how well resources are being utilized will increase.	Very High	High	1976	95	State	Public Inst.

Source: Huckfeldt (1972) page 41

When the degree of agreement among subgroups of the panel was analyzed, the study found that the highest degree of agreement on likelihood, impact, and timing of changes occurred among state, regional and institutional administrators. The lowest degree of agreement of judgment occurred among students and government officials, and students and officers of educational associations.

When the likelihood, impact, and timing were collapsed to a single dimension, the rank orderings of panel subgroups followed exactly the hierarchy of authority in American higher education. Federal officials and officers of national education associations felt that changes would most likely occur with greatest impact in the very near future while department chairpersons, faculty, and students felt the same changes would be unlikely, have little impact, and not occur until some far distant date. Institutional administrators are caught in the middle and, perhaps for this reason, are not advocates of change and are viewed by most of the other actors as principal impediments to change.

I have dwelt upon the NCHEMS Delphi study because, to my knowledge, it is the largest systematic survey of educational administrators, like yourselves, and other leaders in the higher education community. The results I have reported to you reflect the judgments of fellow administrators and the consensus and incongruities of the judgments of government officials, students, faculty members, and other interested parties. The substantive forecasts and the extent of consensus are very much part of the realities with which financial officers must deal.

In a study completed in 1973, the National Commission on the Financing of Postsecondary Education discussed 15 trends which they felt would affect the financing of postsecondary education during the coming decade.* The trends identified by the National Commission include most of the seven high likelihood-high impact changes identified by the NCHEMS study and also include seven additional trends: (1) the stabilization and decline of 18-24 year old enrollment in traditional colleges and universities; (2) 18 year old majority may substantially affect student financial aid provisions and residency requirements; (3) students will view full-time study more in terms of increasing their employability than in terms of increasing their liberal education; (4) the increasing focus of secondary school curricula on occupational training will alter students' educational demands as they pursue postsecondary education; (5) institutions of postsecondary education will be under strong pressure to increase their productivity to match

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*Financing Postsecondary Education in the United States, GPO, December 1974. Material taken from Chapter 1.

rising costs; (6) although states may enjoy a period of relative prosperity in this decade, they are not likely to increase significantly the share of their resources devoted to postsecondary education; and (7) continuing federal support for postsecondary education will reflect changing national priorities and, therefore, the rate of growth of federal expenditures is uncertain.

From an institutional perspective, most of the forecast splashes on our canvas of the future portend administrative stress from several directions. Students will be more diverse, perhaps more occupationally prepared and motivated, legally adults from age 18, and seeking continuing education (but not at too high a price). State and federal governments will expect greater attention to be paid to social problems and needs (such as skilled people), increasing educational productivity from colleges and universities, and increasing willingness of institutions to respond to the needs of individuals who have not traditionally participated extensively in higher education. At the same time, state and federal governments will probably not increase the proportion of their funds going to postsecondary education, and in anticipation of enrollment declines governments may well reduce support for higher education.

Meanwhile, institutional administrators will find that faculty collective bargaining will reduce their flexibility and reduce productivity by increasing cost, that educational technology is a long way off and that by the time it is available it will probably be an add-on and not a substitute for labor intensive teaching, and that competition among collegiate and non-collegiate institutions will be increasingly fierce. Although continuing education will be a growth area, it is marginally priced and consequently contributes little to a school's overall financial position.

Furthermore, institutional leaders will find that they are not out in front of most of the high likelihood-high impact changes and that they are viewed as the major resistors to changes which almost everyone (including institutional administrators) agree should occur.

If this broad brush portrait of the future is at all accurate and representative, we should all ask ourselves why anyone would want to be an educational administrator. It must take a particular type of masochist to sail willingly into this future. It is a little like the Christian being pulled apart by four horses on the floor of the Roman Coliseum saying, "If it weren't for the honor of the whole thing, I'd just as soon watch." When I shared these predictions with an administrative colleague of mine he said, "Being an educational administrator is like making love with a gorilla--it's the thrill of your life, but you can't stop until it wants to."

I have no prescriptions for survival in the Coliseum or love making at the zoo, but I do have some thoughts to share on institutional decision-making in attempting to cope with the stresses I have catalogued.

Organizing for Decision Making

Although our backdrop for the future changes in higher education is still unfinished, and I am certain that all of you could add to it, let us approach an understanding of the emerging role of an institutional financial officer from another direction. We have inherited an organizational structure in higher education that has evolved without too much conscious thought. In the last 10 or 15 years administrative structures have burgeoned as the size and complexity of the academic, research and service programs have expanded. Much of the administrative structural growth has been in areas of line or functional responsibility: public affairs, student affairs, governmental relations, equal opportunity, personnel, extension, to name just a few. Staff responsibilities have also been expanded --such as in institutional research, planning offices and management information systems--but the relative degree of organizational expansion (if not the budgets) of these staff offices has been small in comparison with line offices.

I suspect that most of you are used to thinking of an institutional organizational structure as a pyramid with formal authority centered at the top. Without debating the informal authority structure of colleges and universities, let me suggest an alternative mental image of the sequence of decision making and interpret this alternative in terms of organizational roles.

Instead of a pyramid, imagine a circle like the face of the clock. At the top of the circle, at 12:00, is the decision making individual or group for a particular level in the institution. Once again, I am talking about the formal structure of authority; however, the approach I am describing could be easily used to analyze the informal structure of authority and determine its congruence with the formal structure. Also, I am talking about a particular level within the formal authority structure; I will focus on the campuswide level of decision making because I believe that it is most appropriate to this discussion.

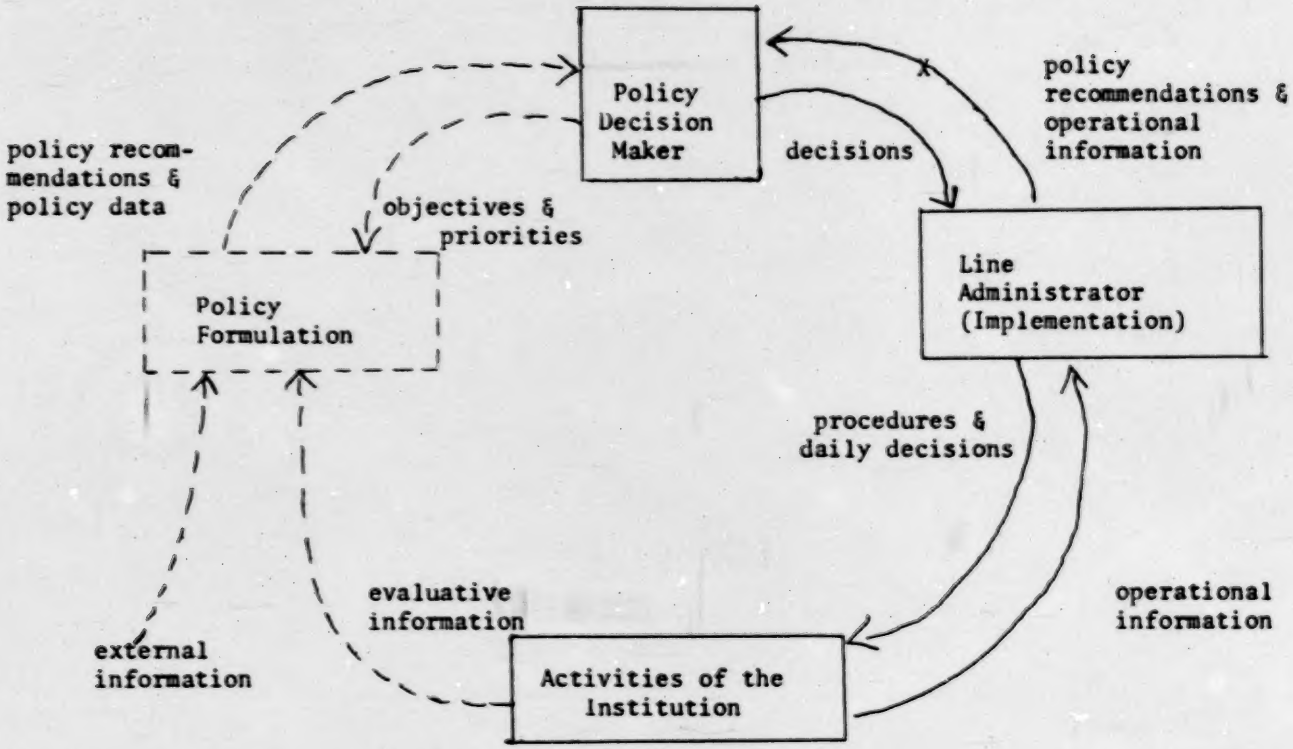
Once a decision is made--a budget is approved, an enrollment target is agreed to, a new personnel policy is adopted--the decision is communicated to operational, functional managers on the right of our circle, at 3:00. These line administrators, with their delegated authority, make the day-to-day decisions to implement each policy decison, whether it is approving financial transactions, running the admissions office, or approving a specific personnel action (see Figure 1).

The decisions of line administrators are not ends in themselves but are intended to interact with the activities of the institution--with students, faculty, researchers, staff, funders, donors, alumni, and other direct constituents--and it is through these activities that the overarching objectives of the institution are advanced. These activities are at the bottom of our circle, at 6:00.

FIGURE 1

Sequence of Institutional

Decision Making



solid lines represent current flows

dotted lines represent closing the loop

X represents flows deleted when closing the loop

Although my thumbnail sketch is brief, I believe you would agree that the policy implementation process is well structured in most institutions in most policy areas. In fact, the academic and administrative organizations are structured along functional lines which are designed to implement functional decisions or to manage the activities of particular organizational entities. Most of the information collected and reported within the institution is operational information--financial transactions, personnel information, student registration data, space utilization, or library acquisition and personnel. There is usually very little information collected from outside the institutions except for estimates of first-time enrollment, or comparison of faculty salaries, or some rudimentary comparison data on other subjects.

Now let us continue our consideration of the sequence of institutional decision making and focus on the policy formulation responsibility on the left hand side of our circle, at 9:00. The policy formulation role would draw evaluative information from the activities of the institution and from the external environment, draw policy guidance information on the interrelationships and dynamics of the school from the institutional research or analytic studies office, and synthesize policy recommendations and supporting information for the decision making individual or group.

Policy implementation and policy formulation are dual and nonoverlapping functions. Policy implementers (line administrators) extend the doing capacity of a decision maker; policy formulators extend the thinking capacity of a decision maker. Policy implementers are responsible for designing administrative procedures and making daily decisions which best carry out a particular decision. Policy formulators are responsible for designing policy recommendations which would best achieve the objectives and priorities of a particular decision maker. Policy implementers deal mainly with operational information; policy formulators deal mainly with evaluative information, much of which is drawn from the external environment.

In reality, however, 9:00 is missing in most institutions; there is no identifiable policy formulation structure or function. Most institutions plan by regurgitation. Department chairpersons and administrative office directors are usually asked to submit budget requests or proposed departmental plans. These proposals are viewed, reviewed and re-reviewed at a half dozen levels or more. Larger academic plans are made by stapling together several departmental plans. Campus budgets are made by adding up departmental requests--after some appropriate reductions.

Bottom-up planning supposedly puts the initiative in the hands of the scholars and administrators who are closest to the action, and therefore most responsive to diverse and changing demands. It also supposedly involves a large number of scholars and administrators and thereby secures their commitment to the final plan and budget. Bottom-up planning supposedly protects academic freedom from political intrusion by placing both initiation and final action in the hands of academics.

My bias is probably evident in the choice of the word "supposedly." Most of our institutions practice bottom-up planning without notable success. Each year's plan and budget looks amazingly like last year's plan and budget plus 10 percent. If we planned our diets this way, each meal would have the same menu, only the portions would increase in size. I just finished breakfast and the thought of dining forever on increasing numbers of scrambled eggs is not an alluring prospect.

I believe the incongruity between our institutions' current performance and reasonable expectations of the future are directly attributable to bottom-up planning. The Newman Report, the various Carnegie Commisson reports, and the National Commission Report all present evidence that institutions of higher education are neither especially diverse nor responsive to changing demands. Most scholars and middle managers are not genuinely involved in planning or budget making and in many cases there is very little internal commitment to the decisions of the institution. Finally, bottom-up planning has been notably unsuccessful in avoiding political intrusion in classroom level activities--witness mandated faculty workloads, minimum class sizes, and statewide review of politically sensitive academic appointments, even those that are not tenured.

The reasons for the failure of bottom-up planning are readily apparent. Department chairpersons have little information or perspective broader than their own department. Academics are often more committed to a discipline than to an institution. Departments have no incentive to save resources or reduce program offerings because their savings would usually be reallocated out of the department. Departments often have little contact with clientele outside traditional ones and therefore tend to be unresponsive to previously excluded clientele. Finally, to propose a plan that is radically different from past plans is often viewed as admitting to mistakes in the past; the budget justification process essentially ensures consistency beyond the point of reason.

I am reminded of a story which epitomizes the effects of bottom-up planning: A recently-assigned American diplomat was watching an artillery display at Britain's Sandhurst military academy. The most modern howitzers were wheeled into position towed by jeeps and trucks. As round after round was fired at distant targets, the American noticed that just before the Sergeant Major pulled the trigger cord, two young soldiers would run about 20 paces to the side and hold both arms out straight. Asked to explain this curious behavior, the guide indicated that the two young soldiers were holding the horses to keep them from being frightened by the gunfire. There is a lot of "horse holding" in higher education as we perpetuate the vestiges of the past through bottom-up planning.

Planning from the bottom up is essentially running the policy implementation side of the circle backwards; implementation is organized from the top down while this form of planning is organized from the bottom up. This situation is readily discernable and two general suggestions have resulted from frustration with bottom-up planning, namely: top-down planning and

closing the loop. Why not have the chief executive, or his or her office, plan for the institution, sell the plan to the board of trustees, and then go implement the plan? Business operates this way; the military operates this way; even governments operate this way; why should colleges and universities be different?

Perhaps business, the military, and governments have succeeded with top-down planning (I personally believe that excess executive authority is a major part of the organizational difficulties of these three sectors) and perhaps colleges and universities should not be different -- but they are different. In institutions of higher education, power is the power to persuade, authority is substantive until it is first exercised and then it decays with each use, almost any group can veto a proposal while virtually no one can mandate a solution. As all of you know better than I, higher education is carefully organized to be disorganized, believing that in diversity there is unity, in confusion there is security and in organizational impotence there is individual strength. Perhaps top-down implementation is acceptable in this organized anarchy because there is the firm belief that there will be no top-down decision making.

This brings me to closing the loop, creating a function responsible for the process of policy formulation. The process of policy formulation is critical both to the substance of policy and to the acceptability and eventual implementation of policy. The participation in and nature and scope of the process of policy formulation should be determined by the character and objectives of an institution. There are many gimmicks but no elixirs. Institutions have tried student-faculty-administration priority committees, formal academic-fiscal-physical planning committees and exercises, outside consulting firms, administrative reorganization to create provosts who are planning czars, consortia, and other processes. A colleague fresh from nine years in the Pentagon, reflecting on his first year of academic planning, said, "My God, these committee meetings are like the mating of elephants, there is a great deal of thrashing about on a very high plane and nothing happens for two years." I am certain you have experienced some of the same frustration with the process of policy formulation.

Closing the loop in higher education will be difficult. Most administrators do not have a conceptual base either of the structure which is common to all decisions or of the elements of a process of policy formulation. Students of decision making and organizational behavior are just beginning to address higher education. However, I believe there are two cornerstones for our understanding of the skills needed in a function responsible for the process of policy formulation in a college or university.

The first cornerstone is understanding that all decisions have the same structure or components. With respect to a particular decision maker one can identify: (1) the control variables which the decision maker can literally specify (such as new students admitted or new faculty offers made) and in terms of which all real policy must be expressed; (2) the exogenous variables which affect the institution but which cannot be influenced by it (such as the price level or demographic trends); (3) the state variables which describe the state or condition of the institution (such as enrollment

levels or operating surplus/deficit) and which are in part affected by the control and exogenous variables; (4) the values or priorities over the current and future states of the institution from the known current state and in response to the control and exogenous variables; (5) the constraints on actions which limit the full extent of possible options; (6) the planning horizon of the number of years in the future which are relevant to a particular decision; and (7) some technical considerations of uncertainty.

The list is too long to repeat in one breath, but realize for a moment that essentially seven factors characterize all decision problems from ordering lunch from a long and tempting menu, to approving a new academic program, to locating a new campus, to hiring a new president, to determining national policy. The substance and relative importance of these seven elements differ with each decision, but the structure is constant. Furthermore, the conceptual and mathematical approach to determining the "best" policy to follow in a decision situation described by these seven elements is also the same analytical form for every decision problem.

What does this mean for financial officers in colleges and universities? You'll be surprised. Of the seven factors which characterize all decision problems, three define sets of variables, three describe linkages among variables that span across the institution, and one specifies the time horizon. Of the three linking factors, the values or priorities of an institution are often vague, unarticulated, and nonoperational, the interrelationships of cause and effect are poorly understood at best, and the constraint which most frequently limits policy decisions is the budget constraint. I knew you would be surprised.

The budget is essentially the only format in which real policy options are compared, at least in terms of their costs, if not in terms of their impacts. Our planning has focused a great deal on the constraint set and yet we know there are six other elements that are essential (and in practice supplied intuitively and unconsciously). Being aware of the common elements of all decisions enables one to balance the emphasis among the various elements, and to develop a grasp and articulate all of the elements.

The second cornerstone is understanding the skills needed in a function responsible for the process of policy formulation and an awareness of the desired elements of the process itself. Chris Argyris has suggested that there are three desiderata for effective decision making in organizations: (1) valid information; (2) free choice; and (3) internal commitment. While intuitively satisfying and empirically substantiated in a significant number of examples, these desiderata create very thorny problems in higher education. There is a dearth of valid information because there is very little evaluation of outcomes in higher education; there are extensive operational data (such as the number of checks printed in November) but no evidence of what a course contributes to an adult's learning. Meanwhile, choice is constrained both by arbitrary requirements often imposed on students and faculty and by the absence of valid information. Finally, as we have discussed, commitment, especially of faculty, is much

more likely to be internal to the disciplines than internal to the institution.

From the incongruity between these desiderata and the current state, we know that designing an effective process of policy formulation will be difficult. Furthermore, in most institutions no one other than the president is responsible for designing an effective process of policy formulation and he or she is usually much too mired in crises precipitated by unplanned events to spend much time concerned about planning for the future.

Let me now pull together the divergent threads of our discussion. Over the next decade the external environment of higher education will change considerably; I have attempted to indicate what some of these major changes might be. In the financial area, the anticipated changes-- falling traditional demand, rising costs, falling productivity, reduced flexibility in personnel, increased emphasis in access, increasing accountability and higher level decision making -- will align forces in the same direction and push far into the red those institutions which continue with business as usual. Setting aside the whole question of institutional aspirations far exceeding institutional capacity, the continuation of the managerial status quo is financially infeasible. The NCHEMS panel survey came to this conclusion when they forecast that change in institutional management will and should occur the soonest of all seven high likelihood-high impact changes.

But what does a change in planning and management really mean? With my circular framework of the sequence of institutional decision making, the status quo is bottom-up policy planning and top-down policy implementation. If we are going to change the decision making structure, there are two major directions: top-down policy planning, which I believe will be largely unacceptable and ineffective, especially in major institutions; and closing the loop by creating a new function responsible for both the content and process of policy formulation, which I believe has the potential for dealing effectively with the plethora of forces that do and will impinge upon and arise from within higher education.

However, I see that closing the loop will not be easy, which is one reason that it has occurred so infrequently in the past. Individuals who will close the loop need the process skills of policy formulation-- how to identify and clarify the relevant control, exogenous and state variables arising out of priorities, causality and constraints. In current practice, it is difficult to grapple with all of the elements of the decision; establishing the budget constraint and providing financial information are the most developed and formalized procedures that integrate concerns for all parts of the institution. Therefore, institutional financial and business officers have, to my mind, the greatest potential for closing the loop if they conceive of their role as doing that.

Emerging Roles for Financial Officers

I am reluctant to generalize very much from the few attempts institutions have made to close the loop or to extrapolate very far from the conceptual models of the nature and process of decisions that I have suggested. My reluctance is not a reflection of my unwillingness to make foolhardy predictions -- I do that often enough. It is more like the problem of getting out of the middle of a mine field. If someone skips rapidly across, turns, waves, and urges me to follow their general direction, I am reluctant to move, knowing each step may be my last. On the other hand, if my guide is a step or two ahead and still alive, I am willing to walk close behind. In that spirit let me relate some possible first steps that have been taken and where, at last count, casualties were light.

Some of the emerging roles for institutional business/financial/planning officers are:

1. Synthesizer of Evaluative Information. Financial records are usually a track of the past wanderings of an institution, but what information tells anyone what the institution has accomplished? Evaluative information looks at the value added by institutional activities, at the match between external demand and internal response, at the degree of relative efficiency with which the outcomes are accomplished. Generating evaluative information requires data collection outside of the institution. Like biological aging, most changes observed in students and faculty occur in similar members of the general society as the result of living in an information saturated environment. It will take increasing sophistication to evaluate the impacts of higher education on new clientele seeking new career paths and on adults seeking continuing personal development.

2. Estimator of Likely Consequences. In educational administration, success is often defined as disaster avoided. Perhaps the greatest appeal of the status quo is that it has usually avoided disaster; in the past, the current state has been the best prediction for next year. I believe those days are coming to an end. If we think of educational institutions as male for a few moments, their identity crisis is similar to male menopause. Many, if not most, institutions realize their spectacular growth curve is over, cresting far short of their dreams. The collegiate corpus is a little too slow and flabby to chase every sexy new idea - that is better left to lean and hungry organizations. Institutions are conflicted about identifying with the young, who are showing decreasing interest, and with older adults, who are increasing demands for their services. No longer everyone's darling, higher education stands in line for public attention behind the economy, welfare, health care, crime, and probably international relations.

Higher education is at a mid-career transition (it has already survived several transitions so don't be faint hearted) and it badly needs valid information about what is possible in the next stage of its development. This is the role of the Estimator of Likely Consequences. What are the likely consequences of pursuing policy A or B -- expanding the adult clientele or drastically reducing the size of the institution? Because

there is little true diversity in higher education, we have few role models from which we can observe the consequences of radically different policies. Consequently, we must construct analytical models which represent alternative realities and estimate from these synthetic models the likely consequences of new policies.

3. Adducer of Institutional Objectives. There are more useless words written on institutional objectives than on any topic since the debate on the angel capacity of pinheads. Most of the discussion of objectives is meaningless because the concepts are not operational. The exciting role here is to adduce, to bring forward and offer as an argument bearing on a particular decision, specific operational objectives which the decision makers can either accept, modify or reject -- in either event, a concrete statement of objectives is obtained as a basis for action in the next cycle. An adducer is a process advocate, believing in putting forward concrete statements which can be accepted or rejected, rather than a partisan advocate seeking his or her own way in a substantive decision.

I considered and rejected the usual Jesus Christ role: must be able to walk on water, commune directly with God, feed multitudes on next-to-nothing, manage a staff (but no larger than 11), be willing to suffer ignominious defeat, and be capable of repeated resurrections. Upon reflection I realized that this is not a role required of financial officers, for which all of you are surely thankful; rather, this is a role reserved for college presidents.

In summary, I hope these thoughts are of some help to you. I have indicated some of the outline forces which will impinge on higher education and suggested the kinds of administrative response which I believe will effectively meet these forces. However, the response of closing the loop of decision making will both require and enable new roles for financial officers in colleges and universities. If we can free up enough hands from holding the horses and summon the strength of character to survive our identity crises -- both of which I believe are possible -- all of us will have some exciting and creative tasks ahead.